GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:4864
ANSWERED ON:26.04.2000
LIBERALISING IMPORT
JAI PRAKASH;P.C. THOMAS

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the Union Government are preparing a strategy to save the SSI Units in the country from the removal of quantitative restrictions as reported in the Statesman dated March 15, 2000;

(b) if so, whether the items reserved for Small Scale Sector are largely manufactured by Multi National Companies and posing threat to the SSI units in the country; and

(c) if so, the steps taken/proposed to be taken by the Government to save the SSI units in the country?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES

(SMT. VASUNDHARA RAJE)

(a) Yes, Sir.

(b) The items reserved for exclusive manufacture in the SSI sector are largely being manufactured by the SSI units only.These items are allowed for manufacture by the large scale sector/multinationals only under COB (Carry on Business) licence or with 50% export obligation, in accordance with the policy norms.

(c) The Small Scale Industries in India have enough resilience to withstand the impact of phasing out of Quantitative Restrictions beyond April, 2001 as is evident from their recent track record. The Government has put in place several measures to help our Small Scale Industries (SSI) become globally competitive.These include special focus on areas such as technology upgradation, infrastructure assistance through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other IT applications, marketing and timely information dissemination, including sensitisation of small industries to the emerging challenges of trade liberalisation.